



MONTANA LEGISLATIVE BRANCH

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DATE: February 22, 2008

TO: Legislative Finance Committee

FROM: Lois Steinbeck, Senior Fiscal Analyst

RE: Montana State Hospital Update

The Legislative Finance Committee (LFC) heard a short report about the Montana State Hospital (MSH) at its December meeting. The report discussed the ongoing high census at the state hospital, the difficulty in recruiting and retaining nurses, and development of new community services funded by the 2007 Legislature. The LFC asked for an update on those issues at the upcoming March meeting.

The updated report will include the following information:

- o The year to date MSH census of 204 remains above the licensed capacity (189)
- o The nursing vacancy rate remains problematic
- o 72-hour crisis services will come on line March 1 in several pilot sites and the 24 hour telepsychiatry services will be delivered from MSH

At this time, preparation of a final report has been delayed due to emerging issues related to MSH. Staff from the Department of Public Health and Human Services (DPHHS) is in the process of compiling and providing additional information in response to staff questions. The following list summarizes issues that will be more fully explained at the March LFC meeting:

- o The executive adopted "Goal 189" to reduce the MSH population to the licensed capacity of 189
- o DPHHS legal staff determined that:
 - o An exigency situation exists at MSH due to the high ongoing census
 - o Due to the exigency, DPHHS is exempt from its policy to competitively procure services
- o DPHHS staff has been negotiating with adult mental health service providers in Missoula, Great Falls, Helena, Billings, and Miles City for the provision of a defined number of selected intensive community services in each community
- o DPHHS has allocated up to \$500,000 additional general fund for the new intensive services
 - o The additional funds will be available because Medicaid costs are projected to be lower than the appropriation